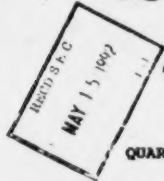


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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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Form 16-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For quarter ended March 31, 1992 Commission File Number 33-24317

JORDAN INDUSTRIES, INC.

(Exact name of registrant as specified in charter)

Illinois
(State or other jurisdiction of
incorporation or organization)

36-3598114
(I.R.S. Employer
Identification No.)

ArborLake Centre, Suite 300
1751 Lake Cook Road,
Deerfield, Illinois
(Address of Principal Executive Offices)

60015
(Zip Code)

Registrant's telephone number, including Area Code:
(708) 945-5591

Former name, former address and former fiscal year, if changed
since last report: Not applicable

Indicate by checkmark whether the registrant (1) has filed all
reports required to be filed by Section 13 or 15(d) of the
Securities Exchange Act of 1934 during the preceding twelve (12)
months (or for such shorter period that the registrant was required
to file such reports) and (2) has been subject to such filing
requirements for the past ninety (90) days.

Yes X No

The aggregate market value of voting stock held by non-
affiliates of the Registrant is not determinable as such shares
were privately placed and there is currently no public market for
such shares.

The number of shares outstanding of Registrant's Common Stock
as of May 15, 1992: 91,467.1618.

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FORM 10-Q QUARTERLY REPORT

JORDAN INDUSTRIES, INC.

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JORDAN INDUSTRIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(ALL DOLLAR AMOUNTS IN THOUSANDS)

	March 31, 1992 <u>(unaudited)</u>	December 31, 1991 <u>1991</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 4,206	\$ 12,000
Accounts receivable - net	37,777	43,169
Inventories	56,079	53,594
Prepaid expenses and other current assets	<u>5,043</u>	<u>3,789</u>
Total Current Assets	103,105	112,552
Property, plant and equipment - net	51,310	52,372
Notes receivable from affiliates	10,925	9,810
Goodwill - net	60,032	59,438
Other assets	<u>43,719</u>	<u>35,970</u>
Total Assets	<u>\$269,091</u>	<u>\$270,142</u>
LIABILITIES AND NET CAPITAL DEFICIENCY		
Current Liabilities:		
Accounts payable	\$ 15,468	\$16,743
Accrued liabilities	17,013	10,234
Other current liabilities	6,297	1,858
Current portion of long-term debt	<u>6,178</u>	<u>5,669</u>
Total Current Liabilities	44,956	34,504
Long-term debt	254,857	268,877
Other non-current liabilities	11,796	3,844
Deferred income taxes	7,470	7,670
Minority interest and other	2,126	3,223
Net Capital Deficiency:		
Common stock	1	1
Additional paid-in capital	2,754	879
Accumulated deficit	<u>(54,869)</u>	<u>(48,856)</u>
Total Net Capital Deficiency	<u>(52,114)</u>	<u>(47,976)</u>
Total Liabilities and Net Capital Deficiency	<u>\$269,091</u>	<u>\$270,142</u>

See accompanying notes to condensed consolidated financial statements.

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JORDAN INDUSTRIES, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (unaudited)
 (ALL DOLLAR AMOUNTS IN THOUSANDS)

	THREE MONTHS ENDED	
	March 31.	
	<u>1992</u>	<u>1991</u>
Net sales	\$67,371	\$59,119
Cost of sales, excluding depreciation	42,182	38,186
Selling, general and administrative expenses	<u>16,521</u>	<u>14,370</u>
Operating income before depreciation and amortization of goodwill and other intangibles	8,668	6,563
Depreciation	2,196	1,785
Amortization of goodwill and other intangibles	<u>2,061</u>	<u>2,826</u>
Operating income	4,411	1,952
Other (income) and expenses:		
Interest expense	9,421	9,952
Interest income	(173)	(502)
Interest income from affiliates	(104)	(10)
Management fees and other	<u>466</u>	<u>410</u>
Total other (income) and expenses	<u>9,610</u>	<u>9,850</u>
Loss before income taxes and minority interest	(5,199)	(7,898)
Provision (benefit) for income taxes	<u>579</u>	<u>(500)</u>
Loss before minority interest	(5,778)	(7,398)
Minority interest	<u>(12)</u>	<u>101</u>
Net loss	<u><u>\$ (5,766)</u></u>	<u><u>\$ (7,499)</u></u>

See accompanying notes to condensed consolidated financial statements.

JORDAN INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(ALL DOLLAR AMOUNTS IN THOUSANDS)

	THREE MONTHS ENDED	
	March 31,	
	<u>1992</u>	<u>1991</u>
Cash flows from operating activities:		
Net loss	\$ (5,766)	\$ (7,499)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	4,759	5,084
Benefit from deferred income taxes	(200)	(1,092)
Minority interest	(12)	101
Changes in operating assets and liabilities net of effects from acquisitions:		
Decrease in current assets	1,653	4,302
Increase in current liabilities	<u>8,414</u>	<u>6,692</u>
Net cash provided by operating activities	<u>8,848</u>	<u>7,595</u>
Cash flows from investing activities:		
Capital expenditures	(1,286)	(1,217)
Notes receivable from affiliates	(1,115)	(300)
Acquisition of minority interest and other	<u>(300)</u>	<u>(962)</u>
Net cash used by investing activities	<u>(2,701)</u>	<u>(2,479)</u>
Cash flows from financing activities:		
Repayment of long-term debt	(13,592)	(1,022)
Other	<u>(349)</u>	<u>(353)</u>
Net cash used by financing activities	<u>(13,941)</u>	<u>(1,375)</u>
Net increase (decrease) in cash and cash equivalents	(7,794)	3,741
Cash and cash equivalents at beginning of period	<u>12,000</u>	<u>25,804</u>
Cash and cash equivalents at end of period	<u>\$ 4,206</u>	<u>\$ 29,545</u>

See accompanying notes to condensed consolidated financial statements.

JORDAN INDUSTRIES, INC.
Notes to Condensed Consolidated Financial Statements
 (unaudited)
 (All Dollar Amounts in Thousands)

A. Organization

The unaudited condensed consolidated financial statements, which reflect all adjustments that management believes necessary to present fairly the results of interim operations, should be read in conjunction with the Notes to the Consolidated Financial Statements (including the Summary of Significant Accounting Policies) included in the Company's audited consolidated financial statements for the year ended December 31, 1991, which are included in the Company's Annual Report filed on Form 10-K for such year (the "1991 10-K"). Results of operations for the interim periods are not necessarily indicative of annual results of operations.

B. Inventories

Inventories are summarized as follows:

	March 31, <u>1992</u>	December 31, <u>1991</u>
Raw materials	\$12,068	\$11,760
Work in process	7,849	6,347
Finished goods	<u>16,162</u>	<u>15,487</u>
	<u>\$36,079</u>	<u>\$33,594</u>

C. Notes Receivable from Affiliates

At March 31, 1992 the Company had notes receivable from Cape Craftsmen, Inc. and Wintermute Industries, Inc., companies that are both controlled by the partners, principals, employees and affiliates of The Jordan Company, of \$10,925.

D. Accounting for Income Taxes

The tax benefit for the first quarter of 1991 has been restated to more accurately reflect the effective rate for the full year ended December 31, 1991.

E. Significant Event

In March 1992, a subsidiary of the Company entered into an agreement with its minority shareholders whereby the shareholders would exchange their common stock for preferred stock. One-half of the preferred shares will be redeemed on April 1, 1993, for approximately \$1.9 million. This amount has been recorded as a non-current liability. An additional \$1.9 million, representing the remaining one-half of the preferred shares, has been recorded as additional paid-in capital. As a result of this transaction, the subsidiary will be included in the Company's consolidated federal tax return in the current year.

Separately, the subsidiary and the minority shareholders entered into agreements whereby the subsidiary agreed to make certain non-compete payments to these shareholders in future years. Accordingly, an intangible asset and liability was recorded for approximately \$9.0 million. The asset will be amortized through 1999.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**
(All Dollar Amounts in Thousands)

The following discussion should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations contained in the 1991 10-K and the financial statements and the related notes thereto which are included elsewhere in this quarterly report.

Results of Operations

Summarized below are the net sales, operating income (loss) before depreciation and amortization of goodwill and other intangibles ("EBITDA") and EBITDA margins (as defined) for each of the Company's business segments for the first quarter ended March 31, 1992 and 1991. This discussion reviews the foregoing segment data and certain of the consolidated financial data for the Company.

	<u>Quarter ended March 31,</u>	
	<u>1992</u>	<u>1991</u>
Net Sales:		
Consumer Products	\$30,886	\$21,759
Industrial Products and Equipment	26,363	26,175
Specialty Advertising and Calendars	10,122	11,185
Total	<u>\$67,371</u>	<u>\$59,119</u>
EBITDA:		
Consumer Products	\$ 3,510	\$ 2,463
Industrial Products and Equipment	6,309	5,770
Specialty Advertising and Calendars	(263)	(440)
Total(a)	<u>\$ 9,556</u>	<u>\$ 7,793</u>
EBITDA Margins (b):		
Consumer Products	11.4%	11.3%
Industrial Products and Equipment	23.9	22.0
Specialty Advertising and Calendars	(2.6)	(3.9)
Consolidated(a)	14.2	13.2

(a) Before corporate overhead.

(b) EBITDA margin is EBITDA divided by net sales.

Consumer Products. As of March 31, 1992, the Consumer Products segment consists of Sate-Lite, DACCO, Riverside and Welcome Home. Welcome Home was acquired at the end of March 1991, and was not reflected in the results of operations for the three months ended March 31, 1991.

First quarter net sales increased \$9.1 million or 41.9% compared to 1991. Without the Welcome Home acquisition, net sales increased \$3.5 million or 16.1%. The increase was due to increased sales in rebuilt converters at DACCO, domestic bicycle reflectors at Sate-Lite, and self-help books and bibles at Riverside.

First quarter EBITDA increased \$1.0 million or 42.5% compared to 1991. Without the Welcome Home acquisition, EBITDA increased \$1.7 million or 69.8%. DACCO, Riverside and Sate-Lite all experienced EBITDA increases due to their increased sales. The EBITDA margin for the segment increased slightly.

Industrial Products and Equipment. The Industrial Products and Equipment segment consists of Parsons, Dura-Line, Imperial, Scott, Gear, Hudson, AIM and Cambridge.

First quarter net sales increased slightly compared to 1991. Increases in sales in permanent magnet motors at Imperial, electronic connectors at AIM, and furniture locks at Hudson, are partially offset by a decrease in machining services at Parsons.

First quarter EBITDA increased \$.5 million or 9.3% compared to 1991. The increase was due to increased sales at AIM and Imperial. The EBITDA margin increased from 22.0% to 23.9%. This was due to lower operating expenses.

Specialty Advertising and Calendars. The Specialty Advertising and Calendars segment consists of JII/SPAI and Beemak.

First quarter net sales decreased \$1.1 million or 9.5% compared to 1991. The decrease in calendars and school annual sales at JII/SPAI was partially offset by an increase in their ad-specialty business. The decrease in calendar sales was the result of efficient production planning.

First quarter EBITDA increased \$.2 million or 40.2% compared to 1991. This was due to improved margins at JII/SPAI and Beemak. Accordingly, the EBITDA margin increased from (3.9%) to (2.6%).

Consolidated Results: (See Condensed Consolidated Statements of Operations.) First quarter operating income more than doubled compared to 1991 due to the increase in sales and improved margins. First quarter interest expense decreased from \$10.0 million to \$9.4 million due to lower debt levels and lower interest rates. First quarter interest income decreased from \$.5 million to \$.2 million due to lower cash balances and lower interest rates. Primarily as a result of higher

operating income and lower interest expense, partially offset by lower interest income, the Company incurred a net loss of \$5.8 million in the first quarter of 1992 as compared to a net loss of \$7.5 million in 1991.

Liquidity and Capital Resources. The Company had \$58.1 million of working capital at March 31, 1992, compared to \$78.0 million at the end of 1991. The decrease in working capital was due to a \$12.0 million paydown on the Revolving Credit Facility, lower accounts receivable due to seasonal collections at JII/SPAI and Riverside, higher other current liabilities as a result of advance deposits on calendars at JII/SPAI and the transaction described in Note E, three months of accrued interest on the Senior Subordinated Notes and an increase to current portion of long-term debt for the Revolving Credit Facility, offset by higher inventories due to a seasonal increase at JII/SPAI and a special inventory purchase at Riverside.

The Company is, and expects to continue to be, in compliance with the provisions of the Indenture and the Revolving Credit Facility.

None of the subsidiaries require significant amounts of capital spending to sustain its current operations or to achieve projected growth.

PART II. OTHER INFORMATION

- Item 1. Legal Proceedings
 None
- Item 2. Changes in Securities
 None
- Item 3. Defaults upon Senior Securities
 None
- Item 4. Submission of Matters to a Vote of Security Holders
 None
- Item 5. Other Information
 None
- Item 6. Exhibits and Reports on Form 8-K
 None

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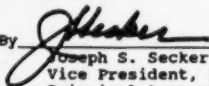
SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

JORDAN INDUSTRIES, INC.

May 15, 1992

By

A handwritten signature in dark ink, appearing to read "J. Secker", is written over a horizontal line.

Joseph S. Secker
Vice President, Finance,
Principal Accounting Officer